Office of the Commissioner of Lobbying of Canada

2010–2011

Departmental Performance Report

The Honourable Tony Clement, PC, MP
President of the Treasury Board

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Message from the Commissioner of Lobbying

I am pleased to present the 2010-2011 Departmental Performance Report for the Office of the Commissioner of Lobbying. As the Commissioner of Lobbying, my primary responsibilities are to administer a public registry for lobbyists to disclose their activities and to ensure compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*. My mandate also requires me to implement an education program to raise awareness of the legislation and its requirements among lobbyists, their clients and public office holders.

The *Lobbying Act* is based on the premise that lobbying is legitimate and must be conducted in a transparent manner. The Registry of Lobbyists continues to be the primary instrument for the public disclosure of lobbying activities at the federal level. As such, my Office continually strives to make the system easier to use and more dependable, both for lobbyists to report on their activities and for Canadians who wish to consult this information. The sooner information regarding lobbying activities is disclosed publicly through the Registry, the better transparency is served. I am pleased to report that, in 2010-2011, processing times for registrations were greatly reduced.

I believe awareness of the *Lobbying Act*'s requirements leads to greater compliance. I am proud that my staff and I met with nearly 1,500 individuals to explain the requirements of the *Lobbying Act*, including lobbyists, public office holders, parliamentarians and their staff, my counterparts, academics and university students. In addition, I appeared four times before the House of Commons Standing Committee on Access to Information, Privacy and Ethics and once before the House of Commons Standing Committee on Procedure and House Affairs, in order to provide members of these committees with information about the *Lobbying Act* and my Office's work.

Regarding the enforcement of the *Lobbying Act*, I have achieved several important results. This year, I tabled my first three Reports on Investigation in both Houses of Parliament. Through these Reports, I informed parliamentarians that three lobbyists had breached the *Lobbyists' Code of Conduct*. Two of the Reports dealt with lobbyists who engaged in political activities that, in my view, advanced the private interest of a public office holder with whom the lobbyists interacted during the course of their lobbying activities. I believe that by exposing wrongdoing, my Reports to Parliament both deter the individual from repeating the offence and provide all lobbyists with an incentive to comply with the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

This year also marked the beginning of the statutory review of the *Lobbying Act*. At my March 2011 appearance before the Standing Committee on Access to Information, Privacy and Ethics, I indicated that, while several aspects of the legislation are working well, I had recommendations for consideration during the review. In particular, I recommended that amendments to the *Lobbying Act* could be made to disclose more lobbying activities, for example by removing the "significant part of duties" registration threshold from the Act. I also recommended that Parliament consider providing me with additional instruments to enable me to better enforce the legislation, such as a system of administrative monetary penalties. I look forward to continuing to assist Parliament during its review of the legislation.

Karen E. Shepherd
Commissioner of Lobbying

Section I — Organizational Overview

Raison d'être

The Office of the Commissioner of Lobbying (OCL) supports the Commissioner of Lobbying, an Agent of Parliament responsible for the administration of the *Lobbying Act* (the Act). The Act provides for the establishment of a Registry of Lobbyists that seeks to improve transparency and accountability by requiring the disclosure of communications between lobbyists and federal public office holders. Greater disclosure of lobbying activities contributes to increasing the confidence of Canadians in the integrity of government decision-making.

Responsibilities

The Commissioner of Lobbying is responsible for the administration of the *Lobbying Act*. The authority of the Commissioner is derived from the Act.

The mandate of the Commissioner is threefold:

1. Establish and maintain the Registry of Lobbyists, which contains and makes public the registration information disclosed by lobbyists, as well as their monthly returns regarding communications with designated public office holders;

2. Develop and implement educational programs to foster public awareness of the requirements of the Act; and

3. Undertake administrative reviews and investigations to ensure compliance with the Act and the *Lobbyists' Code of Conduct* (the Code).

Under the Act, the Commissioner of Lobbying also has the authority to grant exemptions to former designated public office holders who are subject to a five-year prohibition on lobbying activities.

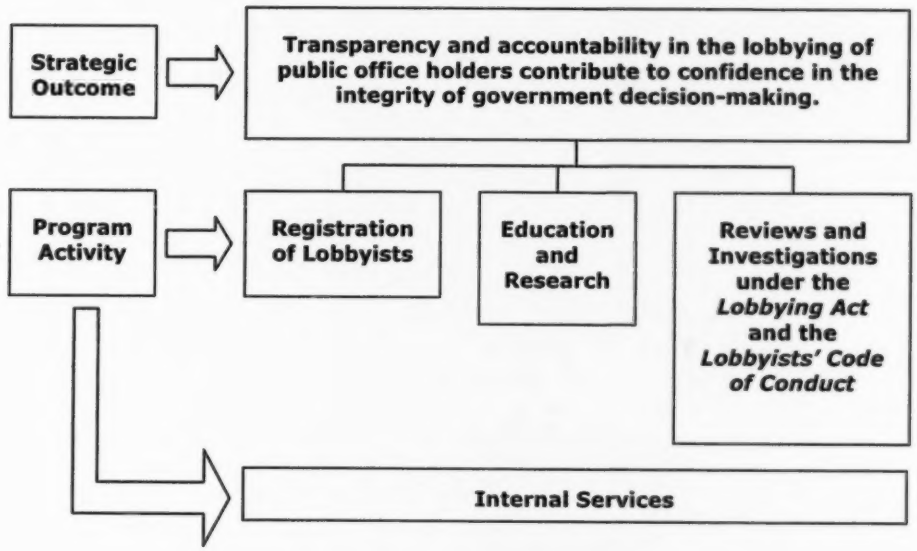
The Commissioner reports annually to Parliament on the administration of the Act and the Code. The Commissioner is also required to table Reports on Investigations, which include her findings, conclusions and the reasons for her conclusions, to Parliament.

Strategic Outcome and Program Activity Architecture

In order to effectively pursue its mandate, the OCL aims to achieve the following strategic outcome:

Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

The Program Activity Architecture (PAA) for the OCL is its basis for reporting to Parliament. The PAA reflects how the OCL allocates and manages the resources under its control to achieve its intended outcome.


Strategic Outcome
Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.
Program Activity
Registration of Lobbyists
Education and Research
Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*
Internal Services

Organizational Priorities

Performance/Priority Status Legend

Exceeded: More than 100 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding Report on Plans and Priorities (RPP) was achieved during the fiscal year.

Met all: 100 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding RPP was achieved during the fiscal year.

Mostly met: 80 to 99 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding RPP was achieved during the fiscal year.

Somewhat met: 60 to 79 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding RPP was achieved during the fiscal year.

Not met: Less than 60 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding RPP was achieved during the fiscal year.

Priority:	**Type[1]:**	**Program Activity:**
Maintain the Lobbyists Registration System	*Ongoing*	*Registration of Lobbyists*

Status: *Met all.*

- The Lobbyists Registration System (LRS) is publicly available on the Internet at no cost, providing Canadians with access to information related to lobbying of the federal government.
- In 2010-2011, the Office of the Commissioner of Lobbying (OCL) further focused on enhancing its maintenance program for the LRS. In addition to addressing ongoing operational issues, particular attention was given to improving data quality assurance and delivering new system functionalities.
- It is through the LRS that information on lobbying of federal public office holders is made public. Improving the integrity of the data in the LRS, strengthening the quality assurance program and addressing operational issues as they arise serve to increase transparency and strengthen confidence in the information disclosed through the Registry.

[1] "Type" is categorized as follows: **Previously committed to**--committed to in the first or second fiscal year before the subject year of the report; **Ongoing**--committed to at least three fiscal years before the subject year of the report; and **New**--newly committed to in the reporting year of the Departmental Performance Report.

Improvements:

Enhancements to the search functionality and reporting capabilities of the LRS will provide greater access to and a better understanding of the information contained in the Registry.

The OCL recognizes the importance of making data in the Registry available to Canadians in ways that meet their information needs. In 2011-2012, the OCL will administer a client satisfaction survey to measure if those searching the Registry are able to find the information they seek.

Priority:	**Type:**	**Program Activity:**
Promote awareness of the requirements of the Lobbying Act and the Lobbyists' Code of Conduct	*Ongoing*	*Education and Research*

Status: *Met all.*

- In 2010-2011, the OCL focused its education and outreach activities on lobbyists, public office holders (both in and outside the National Capital Region), academics and students. Through meetings and presentations, nearly 1,500 individuals received information about the *Lobbying Act*.
- In September 2010, Members of Parliament and Senators became 'designated public office holders' (DPOHs) under the *Lobbying Act*. In addition to providing them with a range of information, the Commissioner met with many Members of Parliament to further explain the amendments to the *Designated Public Office Holder Regulations* and to answer questions.
- The OCL website and online tools were upgraded and were used to raise awareness of the *Lobbying Act* and the *Lobbyists' Code of Conduct*. Work has begun to revitalize our website with a view to improving the site's quality of information and navigation for users.

Improvements:

The launch of the survey of outreach tools was delayed due to the May 2011 general election. It will be conducted in 2011-2012.

The OCL's new website will be launched in 2011-2012. Improved navigability on the site will ensure easier access to the full range of information and tools available to clients and other users.

Priority:	Type:	Program Activity:
Pursue enforcement of the Lobbying Act and the Lobbyists' Code of Conduct and communicate the results	*Ongoing*	Reviews and Investigations *under the Lobbying Act and the Lobbyists' Code of Conduct*

Status: *Met all.*

- The OCL monitored media and other publicly available information, verified the accuracy and completeness of communication reports submitted by registrants, conducted administrative reviews of all suspected or alleged non-compliance, provided reports of findings and recommended suitable means of ensuring compliance to the Commissioner.
- The OCL conducted investigations and prepared reports of findings about individuals deemed to have committed a breach of the *Lobbyists' Code of Conduct*.
- The OCL conducted reviews of applications for exemption from the five-year post-employment prohibition on lobbying for former designated public office holders.
- Results of monitoring and compliance activities were communicated in various ways including: advisory letters to corporations and organizations who may be engaged in registrable activity, but are not registered; correspondence to complainants and respondents at the conclusion of administrative reviews; correspondence with the subjects of an investigation when giving them an opportunity to present their views; Reports on Investigation tabled in Parliament by the Commissioner; and testimony provided by the Commissioner before Parliamentary Committees.

Improvements:

An internal review of all existing review and investigation files was initiated in March 2011 and will be concluded in 2011-2012. All files transferred from the former Office of the Registrar of Lobbyists to the Office of the Commissioner of Lobbying will also be subject to review. The review will cover information such as: date opened; date closed; allegation; outcome; and compliance measure taken. It will ensure that the data captured and reported with the case management system is consistent, accurate and complete.

Risk Analysis

The Office of the Commissioner of Lobbying (OCL) has established and maintains the federal registry of lobbyists and lobbying activities known as the Lobbyists Registration System (LRS). A risk exists that the information in the LRS is not accurate or timely. The OCL shares the challenges of any Office charged with maintaining a large-scale registry in terms of accuracy and timeliness of disclosure while ensuring registrant compliance and system integrity. The LRS is a complex system which requires ongoing monitoring, maintenance, documented procedures and improvements to ensure it remains accessible to users and that the information it contains is accurate.

There is a risk that the LRS may not be continuously accessible to registrants. This would reduce transparency of lobbying activities. To mitigate this risk, the OCL strives to minimize registration delays both by putting in place appropriate registration procedures and by preventing system interruptions. A number of failsafe mechanisms have also been built into the system. In the event that the Registry does shut down, these mechanisms will serve to minimize downtime.

There is a risk of errors in data reporting by lobbyists. The *Lobbying Act* (Act) requires that lobbyists disclose certain communications involving designated public office holders, e.g. ministers, ministerial staff, deputy ministers, Members of Parliament and Senators. This reporting requirement is satisfied online by lobbyists directly inputting the data. As a result, reporting errors may occur. The OCL continually educates lobbyists on how to reduce reporting errors. The OCL also monitors the overall accuracy of monthly communication reports through regular sampling.

There is a risk that the Commissioner's decisions may be overturned by the Federal Court. The OCL conducts administrative reviews and investigations to ensure compliance with the Act and the *Lobbyists' Code of Conduct*. It also reviews applications for exemption from the five-year lobbying prohibition for former designated public office holders. The Commissioner's decisions with respect to administrative reviews, investigations and applications for exemption may be subject to judicial review by the Federal Court. The OCL conducts reviews and investigations that are fair, thorough and well-documented, and that will stand the test of litigation, if required.

There is a risk that our service providers may fail to meet the needs of the OCL. The OCL is a small organization that relies on other federal government institutions for many of its corporate services, including information technology, human resources and financial services. Agreements with service providers are carefully monitored to ensure that all practices and services are consistent with OCL requirements, standards, and internal controls.

An additional measure that has been taken by the Commissioner to identify and manage risks faced by the Office is the establishment of the Audit and Evaluation Committee (AEC). The AEC supports the Commissioner in her role of Deputy Head of a federal institution. The AEC is an independent advisory committee that provides objective advice and recommendations to the Commissioner regarding the organization's corporate management and accountability. The Committee advises on audits and evaluations, risk management, control and governance frameworks and processes.

Summary of Performance

2010-2011 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
4,625	4,815	4,686

2010-2011 Human Resources (Full-time Equivalents — FTEs)

Planned	Actual	Difference
28	27	(1)

Strategic Outcome: Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.		
Performance Indicator	**Target**	**2010-2011 Performance**
The level of compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct.*	100%	Through interactions with stakeholders (lobbyists, public office holders, and the public), a deeper understanding and a greater awareness of the requirements of the *Lobbying Act* was observed. This, in turn, results in a high level of compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct.*

($ thousands)

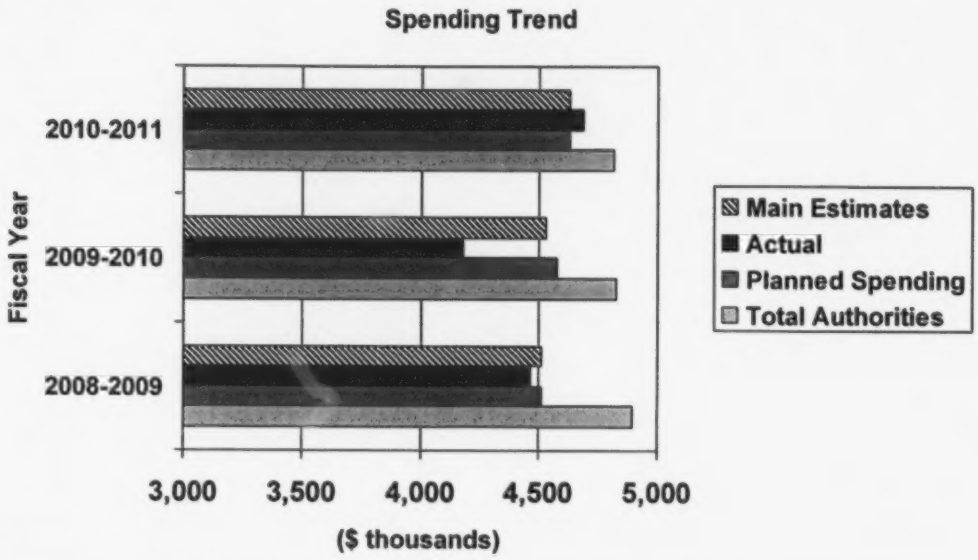
Program Activity[2]	2009-2010 Actual Spending	2010-2011				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Registration of Lobbyists	1,256	1,530	1,530	1,099	1,082	An accountable, transparent, and responsive government
Education and Research	943	891	891	944	927	An accountable, transparent, and responsive government
Reviews and Investigations under the *Lobbying Act* and *Lobbyists' Code of Conduct*	886	1,243	1,243	999	946	An accountable, transparent, and responsive government
Total	**3,085**	**3,664**	**3,664**	**3,042**	**2,955**	

[2] For program activity descriptions, please access the Main Estimates online at http://www.tbs-sct.gc.ca/est-pre/index-eng.asp.

($ thousands)

Program Activity	2009-2010 Actual Spending	2010-2011			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	1,094	961	961	1,773	1,731

Expenditure Profile



Over the last three fiscal years, the OCL reference levels have only been adjusted for compensation due to signed collective agreements and related adjustments to employee benefits plan. Therefore, these adjustments explain fully the variances between Main Estimates to Main Estimates, as well as Main Estimates to Planned Spending.

The variances between Main Estimates and Total Authorities are explained by compensation received from Treasury Board central votes to cover the costs of newly signed collective agreements, parental leave expenditures, as well as the receipt of the operating carry forward.

The increase in 2010-2011 in actual spending in comparison to 2009-2010 is mainly related to salary increases as well as costs for the provision of internal services received from other government departments and agencies.

Estimates by Vote

For information on our organizational Vote and/or statutory expenditures, please see the 2010–2011 Public Accounts of Canada (Volume II) publication. An electronic version of the Public Accounts is available on the Public Works and Government Services Canada website.[3]

[3] See Public Accounts of Canada, 2011, http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html.

Section II — Analysis of Program Activities by Strategic Outcome

Strategic Outcome:

Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

The following section describes each of the program activities of the Office of the Commissioner of Lobbying (OCL) and outlines their expected results, performance indicators and targets. It presents the financial and non-financial resources that were dedicated to each program activity and how they contributed to the OCL meeting its expected results.

The discussion addresses each of the following program activities:

- Registration of Lobbyists;
- Education and Research;
- Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*; and
- Internal Services.

Program Activity: Registration of Lobbyists

Program Activity Description:

Lobbying the federal government is a legitimate activity but it must be done transparently. The *Lobbying Act* (the Act) requires that individuals who are paid to lobby public office holders must disclose certain details of their lobbying activities. The Office of the Commissioner of Lobbying (OCL) approves lobbyists' registrations and makes them available for searching in an electronic registry that is accessible on the Internet.

2010-2011 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
1,530	1,099	1,082

2010-2011 Human Resources (Full-time Equivalents — FTEs)

Planned	Actual	Difference
8	7	(1)

Expected Result	Performance Indicator	Target	Performance Status
All lobbying activities are carried out by individuals, organizations and corporations that are properly registered in the Lobbyists Registration System.	Number of active registrations processed in the Lobbyists Registration System.	Maintain the number of active registrations processed per fiscal year at 7,500 or greater.	8,541 registrations processed. Target exceeded by 14%

Performance Summary and Analysis of Program Activity:

In 2010-2011, the OCL focused its efforts on: reducing registration processing times; enhancing the integrity of the data contained in the Registry of Lobbyists; ensuring the system could easily accommodate increases in volume, and providing assistance to lobbyists with respect to the registration process.

The OCL recognizes that it is critical that the information disclosed in a lobbyist's registration be made public as soon as possible. Internal processes were simplified and streamlined to accelerate registrations and, as a result, average processing times for initial registrations were reduced from more than 20 days to approximately three days. Service standards for registration processing times were updated and implemented.

The OCL also worked to ensure the integrity of LRS data by strengthening the quality assurance program.

The inclusion of Members of Parliament and Senators as designated public office holders in September 2010 created a significant increase in the volume of monthly

communication reports. The number of communication reports increased from an average of 500 reports submitted per month for the period of April 2010 to August 2010, to an average of more than 1,200 reports per month from October 2010 to March 2011. The LRS was able to accommodate the increase in the number of reports with no technical problems.

New multimedia tutorials were developed and posted online to assist lobbyists by helping them understand the registration process. These tutorials complement the other types of assistance and training offered to lobbyists, either by phone, email or in person.

Lessons Learned:

The LRS is a complex and multi-faceted system. In 2010-2011, it was decided that a stronger quality assurance program is required to ensure the data remains sound and trustworthy. Measures have thus been taken to strengthen the existing program.

The OCL recognizes that the objective of transparency in lobbying activities can best be achieved if the public has easy access to comprehensible information. To that end, the focus of the annual maintenance program for the LRS will be expanded to include the development of up-to-date search and reporting functionalities.

Program Activity: Education and Research

Program Activity Description:

The Office of the Commissioner of Lobbying (OCL) develops and implements educational and research programs to foster awareness of the requirements of the *Lobbying Act* (the Act) and the *Lobbyists' Code of Conduct* (the Code). The primary audiences for these programs are lobbyists, their clients and public office holders.

2010-2011 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
891	944	927

2010-2011 Human Resources (Full-time Equivalents — FTEs)

Planned	Actual	Difference
6	6	0

Expected Result	Performance Indicators	Targets	Performance Status
Lobbyists, their clients, public office holders and the public are aware of the scope and requirements of the *Lobbying Act*.	Number of outreach activities conducted by the OCL.	Maintain the number of outreach activities above 50 in fiscal year 2010-2011.	67 outreach activities conducted. Target exceeded by 34%.
	Survey conducted in the third quarter of every year.	80% say their awareness has increased.	Survey was delayed from March to May 2011.

Performance Summary and Analysis of Program Activity:

In 2010-2011, the OCL expanded its education and research programs by reaching out to several new stakeholder groups, particularly public office holders and lobby groups located outside the National Capital Region (NCR). In total, 67 outreach events were held, reaching nearly 1,500 individuals.

The Commissioner traveled outside the NCR, meeting with several Federal Regional Councils, public administration students and academics, and lobby groups. In the NCR, the Commissioner and her staff met with several senior management teams in federal departments and agencies to explain the requirements of the Act and answer questions.

The Commissioner also appeared on five separate occasions before Parliamentary committees – four times before the House of Commons Standing Committee on Access to Information, Privacy and Ethics and once before the House of Commons Standing Committee on Procedure and House Affairs.

In September 2010, the Commissioner provided documentation to all Members of Parliament and Senators, following their inclusion in the category of "designated public office holders", to explain how it affects them. The Commissioner met with many Parliamentarians in both the House of Commons and the Senate, to elaborate further and answer questions.

Outreach meetings are excellent opportunities for the OCL to share information with stakeholders and educate them with respect to the requirements of the *Lobbying Act* (the Act) and the *Lobbyists' Code of Conduct* (the Code). They also provide opportunities for these groups to offer feedback on which aspects of the regime are best understood, and where educational efforts are required.

On-line tools and training material were updated in 2010-2011, including multimedia tutorials aimed at assisting lobbyists with navigating the registration process. Work has also begun to revamp the OCL's website. The launch of the new site is scheduled for December 2011. The new site will be entirely compliant with the Treasury Board Secretariat's new Web Accessibility Standards.

A web-based survey, aimed primarily at registered lobbyists, public office holders and media representatives, was developed in 2010-2011 to measure the efficacy of the OCL's outreach tools and education material. The survey was scheduled to be administered in March 2011, but was delayed due to the general election call. The survey took place in May 2011 and results will be reported in the 2011-2012 Departmental Performance Report. The results will guide future outreach strategies and ensure efforts are invested where they will achieve the most impact.

Lessons Learned:

The OCL helps lobbyists and federal public office holders understand the requirements of the Act and the Code, which is key to creating a culture of compliance. This, in turn, contributes to increasing the confidence of Canadians in the government decision-making process. The OCL will continue to reach out to lobbyists and public office holders in 2011-2012, to build on the successes of the past few years in this area.

The amendments to the *Designated Public Office Holder Regulations* in September 2010 required the OCL to adjust its plans for education and outreach activities. Information material and outreach activities were developed to specifically explain the changes and ensure that lobbyists and "new" designated public office holders were aware of the implications of these amendments. This experience served as a reminder for the OCL that legislative and regulatory changes require concerted education and outreach efforts.

The outcome of the survey will help improve educational material and target outreach activities, to make them more effective for all stakeholders. A website that is easier to navigate will also respond to some of the concerns expressed during the last outreach survey, administered by the OCL in December 2008.

Program Activity: Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

Program Activity Description:

The Office validates information provided by registered lobbyists to ensure accuracy. All allegations of non-registration or misconduct by lobbyists are reviewed and formal investigations are carried out when required.

2010-2011 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
1,243	999	946

2010-2011 Human Resources (Full-time Equivalents — FTEs)

Planned	Actual	Difference
9	7	(2)

Expected Result	Performance Indicator	Target	Performance Status
Alleged breaches of the *Lobbying Act* and the *Lobbyists' Code of Conduct* are determined to be either unfounded or true so that they may be subject to the appropriate sanctions.	Number of alleged breaches of the *Lobbying Act* and the *Lobbyists' Code of Conduct* which result in decisions.	Maintain the percentage of enforcement actions on alleged breaches at 100%.	The OCL met the target, initiating an enforcement action on all allegations of non-compliance with the *Lobbying Act* or the *Lobbyists' Code of Conduct* that came to its attention. (37 administrative reviews and 8 investigations initiated.)

Performance Summary and Analysis of Program Activity:

Administrative reviews and investigations are conducted to assess allegations of potential non-compliance and recommend an appropriate course of action to the Commissioner. In terms of outcomes, administrative reviews and investigations may lead to referrals to the RCMP and, potentially, the laying of charges under the *Lobbying Act*. Convictions for an offence under the *Lobbying Act* may carry fines or result in jail terms. Administrative reviews and investigations may also lead to Reports on

Investigations being made public by the Commissioner, who is required to table them in Parliament. The public exposure of wrongdoing deters individuals from repeating the offence and provides all lobbyists with an incentive to comply with the *Lobbying Act* (the Act) and the *Lobbyists' Code of Conduct* (Code). Greater compliance with the Act and the Code leads to more transparent lobbying activities and contributes to greater confidence in the integrity of government decision-making.

In 2010-2011, the OCL developed "*Guiding Principles and Criteria for Recommending Compliance Measures*" to ensure that all allegations of non-compliance with either the Act or the Code are treated in a reasonable and consistent fashion. The document is available on the OCL's website.

On average, the OCL caseload consists of approximately 50-60 files at any one time. These include administrative reviews, investigations and exemption reviews. Details on how the caseload evolved over the year are provided below.

The OCL initiated 37 administrative reviews in 2010-2011. Thirty-one administrative reviews in the OCL caseload were completed and reports were prepared to outline and analyze the facts of each case, and provide recommendations about appropriate compliance measures to the Commissioner. Administrative reviews were closed for the following reasons: allegation was not well-founded (did not involve a registrable communication, no payment, no meetings arranged, not an improper influence, not a significant part of duties, communication report filed within time limit); allegation was well-founded (subject is either subject to education and further monitoring or investigation was initiated); or the administrative review was ceased, as per section 10.4 of the *Lobbying Act*.

The table below demonstrates the OCL's administrative review caseload for the year. The OCL worked to close as many administrative reviews as were initiated.

ADMINISTRATIVE REVIEW CASELOAD FOR 2010-2011	
Administrative review caseload on April 1, 2010	47
New administrative reviews initiated during 2010-2011	37
Administrative reviews closed	31
Administrative review caseload on March 31, 2011	53

Based on information contained in administrative review reports, eight investigations were initiated. Two of these were sent to the RCMP as the Commissioner had reasonable grounds to believe that an offence had been committed under the Act. Four of the investigations relate to allegations of breaches of the Code, and as such, do not require referrals to the RCMP. Two of the investigations initiated this year were ongoing as of March 31, 2011. At year end, the OCL investigation caseload included 11 files.

At the completion of an investigation, the Act requires the Commissioner to submit a Report to both Houses of Parliament. In February 2011, the Commissioner tabled three Reports on Investigations. In these Reports, the Commissioner found that three individual lobbyists had breached the *Lobbyists' Code of Conduct*. Each Report describes the facts of the case as well as presents and explains the reasons for the Commissioner's conclusions.

The table below demonstrates the OCL investigations caseload for the year.

INVESTIGATION CASELOAD FOR 2010-2011	
Investigation caseload on April 1, 2010	9
New investigations initiated during 2010-2011	8
Investigations closed: Reports to Parliament	3
Investigations closed: Ceased	3
Investigation caseload on March 31, 2011	11

The *Lobbying Act* prescribes that investigations must be conducted in private. It is therefore difficult for the OCL to share information about individual cases publicly. However, in the spirit of transparency, the OCL published certain details of the administrative reviews it has completed in the last few years, and details of its ongoing caseload of investigations. The information was limited in scope because of the privacy requirements of the *Lobbying Act* and the *Privacy Act*. The information was provided to the House of Commons Standing Committee on Access to Information, Privacy and Ethics, and is available on the OCL website.

The Act prescribes a prohibition on lobbying for former designated public office holders for five years after they leave office. Of the three applications for exemption to the five-year prohibition that were received and reviewed in 2010-2011, only one was granted by the Commissioner. No applications for exemption were outstanding as of March 31, 2011. The table below demonstrates the OCL's exemption review caseload for the year.

EXEMPTION REVIEW CASELOAD FOR 2010-2011	
Exemption review caseload on April 1, 2010	1
Exemption reviews initiated during 2010-2011	5
Exemption reviews closed: Application withdrawn	3
Exemption reviews closed: Exemption denied	2
Exemption reviews closed: Exemption granted and made public on website	1
Exemption review caseload on March 31, 2011	0

The Act requires registered lobbyists to report, on a monthly basis, "oral and arranged" communications with designated public office holders. In 2010-2011, the OCL verified, through random and targeted sampling, approximately five percent of all communication returns submitted by lobbyists. Seventy-one designated public office holders were contacted and asked to confirm the accuracy of 396 separate communication reports. As a result, 67 communication reports were found to contain errors, 28 of which were clerical in nature. The OCL communicated with the affected lobbyists to request either clarifications or corrections of the communication reports.

At the OCL, the monitoring of lobbying activities is important. Monitoring ensures compliance with the *Lobbying Act* (Act) and the *Lobbyists' Code of Conduct* (Code), while providing an opportunity to inform individuals about the requirements of the Act and the Code.

The OCL continually monitors media and other publicly available sources for information about lobbying activities at the federal level. In 2010-2011, the OCL conducted verifications of approximately 170 corporations, non-profit organizations or individuals

appearing to be engaged in lobbying activity. As a result, five advisory letters were sent to inform potential registrants about the requirements of the Act. In response to the advisory letters, one recipient organization indicated that it was registered; three responded that they did not meet the 'significant part of duties' threshold for registration set out in the Act; and the remaining recipient had yet to reply as of the end of March 2011. The small number of advisory letters compared to the volume of verifications suggests that a high percentage of lobbyists are complying with the requirements of the Act.

Lessons Learned:

A number of transgressions that come to the attention of the OCL are primarily associated with late filings of initial registrations and monthly communication reports and, as such, are considered minor in nature. Timely reporting of registrable activity is an important aspect of transparency; however, the only enforcement measures provided by the Act (i.e., referrals to a peace officer and Reports to Parliament) may not be appropriate for such contraventions. For that reason, the Commissioner has recommended that the Act be amended to include Administrative Monetary Penalties, which would provide more appropriate compliance measures for minor infractions. This and other recommendations for amendments to the Act were presented in March 2011 by the Commissioner to the members of the House of Commons Standing Committee on Access to Information, Privacy and Ethics. The Commissioner's report is entitled "*Administering the* Lobbying Act – *Observations and Recommendations Based on the Experience of the Last Five Years*", and is posted on the OCL's website.

Communicating the outcomes of compliance measures is an important aspect of improving public confidence in the integrity of government decision-making. Parliamentarians and the public require assurances that lobbyists are held accountable for any failure to comply with the Act. However, the OCL must balance the necessity of reporting its enforcement activities with the legislative requirements to conduct investigations in private (*Lobbying Act*) and protect personal information from improper disclosure (*Privacy Act*).

Proper reporting of information relating to reviews and investigations requires accurate and readily accessible data. In 2010-2011, the OCL began developing plans to implement an improved case management system for its reviews and investigations. The implementation is scheduled for 2011-2012.

Program Activity: Internal Services

Program Description:

Internal Services are activities that support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

2010-2011 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
961	1,773	1,731

2010-2011 Human Resources (Full-time Equivalents — FTEs)

Planned	Actual	Difference
5	7	2

Performance Summary and Analysis of Program Activity:

In 2010-2011, the OCL completed the re-alignment of its governance structure, initiated in 2009-2010. As a result, all strategic planning and corporate functions have been brought under the responsibility of the Deputy Commissioner.

The new governance structure provides for stronger support for the Commissioner in delivering her mandate as well as in her role as the Deputy Head of the organization. A better alignment of financial and human resources with business priorities is achieved through more effective planning and reporting practices that actively engage every member of the Executive Team throughout the year. The planning cycle begins with a comprehensive top-down priority-setting process, building on the lessons learned from the previous cycle. From this process flow decisions regarding the appropriate resource allocation and human resources plans. A fully integrated business plan has been developed in 2010-2011 to outline business, human resources and other priorities, providing an effective instrument to communicate those priorities to both management and employees.

The OCL's Audit and Evaluation Committee (AEC), an independent advisory committee, is now in its third year of operation. Its external members assist management by providing a "sounding board" and a broad range of advice and recommendations to the Commissioner regarding audit and evaluation, financial management, internal controls, risk management and other governance-related frameworks and processes.

Lessons Learned:

The revised governance structure ensures the OCL is in a position to improve its planning and reporting capacity on an ongoing basis. This provides the foundation to progressively develop longer term strategies.

In the event that the *Lobbying Act* is amended in any significant way as a result of the legislative review process, effective and well-informed planning practices and strong governance will help the organization adapt in a timely fashion.

Section III — Supplementary Information

Financial Highlights

Condensed Statement of Financial Position
As at March 31, 2011 ($ thousands)

	% Change	2010-2011	2009-2010 Restated*
Total assets	(5%)	1,844	1,946
Total liabilities	4%	868	835
Equity of Canada	(12%)	976	1,111
Total	(5%)	1,844	1,946

* During the year, the OCL adopted the new Treasury Board Accounting Standard 1.2: Departmental and Agency Financial Statements. The change has resulted in comparative data restatements for the 2010 fiscal year.

Condensed Statement of Operations
For the year ended March 31, 2011 ($ thousands)

	% Change	2010-2011	2009-2010
Total expenses	8%	5,277	4,900
Total revenues		–	–
Net cost of operations	8%	5,277	4,900

During the year, the Office of the Commissioner of Lobbying has adopted the new Treasury Board Accounting Standard 1.2 for the preparation of its financial statements. The main change related to the new standard is the recording of amounts due from the Consolidated Revenue Fund (CRF) ($170 thousands in 2010-2011 and $139 thousands in 2009-2010) as an asset on the Statement of Financial Position. The purpose of this account is to record the cash the OCL will be able to draw from the CRF in future years to meet some of its liabilities.

The change in Equity for 2010-2011, a decrease of 12%, is mostly attributable to the change in accounting standard.

The increase in expenditures is primarily related to salaries, and professional and special services expenditures.

The salaries expenditures increased by approximately $248 thousand from 2009-2010 to 2010-2011. This is mainly due to the revised salary rates related to collective agreements and new employees hired during the year.

The OCL obtains a number of its internal services through Memoranda of Understanding (MOUs) with other government departments and agencies. In 2010-2011, the OCL completed the re-alignment of its internal services, and proceeded to staff some vacant positions. These activities resulted in a significant increase in the human resources services required, which are provided through an MOU. Therefore, this contributed

significantly to the increase in expenditures in the area of professional and special services.

Financial Statements

The OCL's unaudited financial statements can be found on the OCL website at: http://www.ocl-cal.gc.ca/eic/site/lobbyist-lobbyiste1.nsf/eng/nx00621.html.

List of Supplementary Information Tables

All electronic supplementary information tables found in the 2010-2011 Departmental Performance Report can be found on the Treasury Board of Canada Secretariat's website at: http://www.tbs-sct.gc.ca/dpr-rmr/2010-2011/index-eng.asp.

- Green Procurement
- Response to Parliamentary Committees and External Audits

Section IV — Other Items of Interest

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